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# FOREIGN AGRICULTURE

April 1, 1968



**U.S. Agriculture's Stake  
in East-West Trade**

**Foreign  
Agricultural  
Service  
U.S. DEPARTMENT  
OF AGRICULTURE**

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## This week's cover:

Soviet tanker "Sevastopol" fills its hold with wheat from a Montreal grain elevator—an uncommon scene in the United States. U.S.-East European trade is studied in our first article. (Photo: Canadian Film Board.)

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# U.S. Agriculture

*Dorothy H. Jacobson, Assistant Secretary of Agriculture for International Affairs, reports that while U.S. farm product sales to Western nations have shown fantastic growth in recent years, East European markets have remained virtually untapped.*

American agriculture has been going through a period of highly successful efforts to expand its export trade, now about 50 percent larger than it was during 1960 and running at the unprecedented rate of \$6.7 billion or more a year. This expanded trade in American farm products has, however, been developed almost exclusively in the Free World. The Communist countries have virtually been an island set apart, little touched by our market development efforts.

Our trade in agricultural products with Eastern Europe, including the Soviet Union, continues to be relatively small. Our exports to the area in recent years (with the exception of 1964 when we sold \$200 million worth of wheat and feedgrains as a result of the short 1963 Russian grain crop) have averaged about 3½ percent of total U.S. agricultural exports.

At the same time, our agricultural imports from these countries have been even smaller, currently running at about 1.6 percent of our total agricultural imports.

*What East-West farm trade adds up to for the Soviet Union, Poland Czechoslovakia, and Yugoslavia.*

To the Soviet Union, our export sales are averaging \$35 million a year, mainly for tallow and hides. Our agricultural imports average \$2 million a year, mainly cotton linters and licorice root.

To Poland, we're selling \$35 million worth a year of wheat, feedgrains, soybeans and meal, hides, and tallow. We're buying \$41 million worth in return, mainly canned hams, pork and casein.

To Czechoslovakia, we're selling \$28 million a year of feedgrains, soybeans and oil, and hides. We're buying \$2 million worth in return, mainly canned hams and pork.

To Yugoslavia, we're selling \$110 million a year of wheat, cotton, soybean meal and oil, and hides. We're buying \$21 million worth of tobacco and canned hams.

The trade relationships are similar for Romania, Bulgaria, Hungary, and East Germany with our agricultural sales to them substantially larger than their agricultural sales to us.

About one-fourth of our country's agricultural exports move



# Take in East-West Trade

under Public Law 480 programs. These programs include export sales of our farm products for local currencies, long-term dollar credit sales, donations, and certain barter transactions.

Except for barter, however, these are Free World programs and currently are not in effect with the Communist countries.

The earlier Public Law 480 program did provide a basis for substantial shipments of wheat, feedgrains, and cotton to Poland and Yugoslavia until last year. These countries, however, are no longer eligible for Public Law 480 programming under existing prohibitions against Public Law 480 sales to countries trading with Cuba and North Vietnam.

The Export Control Act of 1949, as amended, provides the basic U.S. policy governing commercial exports to Communist countries. Under provisions of this Act, virtually all nongrain agricultural commodities can be exported freely without validated license to Albania, Bulgaria, Czechoslovakia, East Germany, Estonia, Hungary, Latvia, Lithuania, and Russia. Certain other commodities still require specific licenses, including wheat and feedgrains. No agricultural commodities require validated licenses for shipment to Yugoslavia, Poland, or Romania.

We have recommended the relaxation of export controls on shipments of agricultural commodities with commercial export potential to the other European Communist destinations and the Soviet Union.

However, wheat and feedgrains continue to require export licenses because of the stipulation that 50 percent of these grains shipped to the Soviet Union and Eastern Europe be carried on U.S.-flag vessels. The Department of Commerce feels that liberalization of licensing requirements on grains would make implementation of such shipping requirements virtually impossible.

Our position on exports of agricultural and related machinery equipment, plants, and technological data is governed by the nature of the item requested. If the particular machine, equipment, or technological data sought by a Communist nation can readily be purchased elsewhere, we could gain nothing by prohibiting its export. Under such circumstances, a denial would merely take business away from U.S. exporters, but would not prevent a contribution being made to the economic potential of the country concerned.

*Rising consumer incomes are making  
the Soviet Union and Eastern Europe  
receptive to additional imports.*

As pointed out earlier, American agriculture has not been making a strong play for markets in Communist countries. Most of our efforts have been directed toward the Free World.

There would, however, be a potential for increasing agricultural exports to the European Communist countries outside of the Soviet Union if conditions should make it possible to relax existing restraints.

The market that we are considering here is made up of about 120 million people, exclusive of the Soviet Union. Incomes of these people have been increasing in recent years at an annual rate of about 4½ percent. As their incomes have been increasing, they have been upgrading their diets and placing more stress on consumption of livestock products.

Eastern Europe and the Soviet Union are major world grain producing countries but in recent years have also been net importers. In the years ahead, we look toward increased production of animal products and increasing feedgrain and protein meal requirements in the Eastern zone countries. Particularly in those years when the area has poor crops, it will need to import feeds to help support its expanding livestock economy. Our ability to capture an important share of this business will depend on our ability to meet competition from other suppliers, including the terms and conditions under which we attempt to trade.

*Grains offer the best potential*

*—a U.S. market for 3-5 million tons*

*by 1970-71 is conceivable.*

Our greatest potential for increased exports to Eastern Europe is in grains. In order to realize this potential we would need to enter the market on a conventional competitive basis with no special cost or regulatory hindrances. This business might develop slowly, since other exporters are already well established in the market. But the United States could probably achieve a reasonable share within 3 to 5 years. Our share of this grain market, depending on weather and import requirements, could conceivably reach 3 million tons annually by 1970-71 and even as high as 5 million tons in years of poor crops in the area.

Actual shipments of agricultural products to Communist countries, however, depend on several factors. Among these is the Most Favored Nation (MFN) treatment. Poland and Yugoslavia are the only East European countries that enjoy Most Favored Nation treatment from the United States. Products from nations not receiving our MFN treatment must pay higher import duties and therefore are less competitive in our domestic markets. This, in turn, sharply lowers their volume of sales and earnings and reduces their financial ability to buy from us.

It is assumed that any change with regard to the granting of MFN privileges to Communist countries would have to be accompanied by commitments on their part that our products, including our agricultural products, would receive nondiscriminatory treatment. And we would probably want to follow this up with periodic reviews so that if performance is inadequate, we could take appropriate measures.

Another factor to be considered is the 50/50 shipping requirement on wheat and feedgrain exports (50 percent carried in U.S. flags) to the Soviet Union and Eastern Europe.

Depending on the point of export and size of vessel, U.S.-flag

vessels charge \$9 to \$12 a ton more than do foreign-flag vessels. In a hypothetical shipment to Russia, transport on a U.S. flag would increase the cost of wheat by 12 to 16 cents a bushel and corn or grain sorghums by 11 to 15 cents a bushel. Since we are talking here about competitive commercial trade, it becomes apparent that the 50-percent shipping requirement effectively precludes selling U.S. grains in these markets except under circumstances of dire need and nonavailability from other suppliers.

We are sympathetic with the basic purpose of the 50-percent shipping requirement. We clearly recognize the need for a modern and strong U.S. merchant marine, and we support appropriate measures for helping to bring this about. We seek to cooperate in developing measures under which both the maritime industry and our competitive export position might be benefited.

*U.S. can compete with other  
suppliers through export credit  
programs as well as barter.*

One of the means at the disposal of the Department of Agriculture to compete with other suppliers in East European markets is the Export Credit Sales Program of the Commodity Credit Corporation. The first business done under this program with East European countries was in 1962 when feedgrains were exported to Poland. From this initial program until March 1966, Poland was the only East European buyer, taking a little over \$19 million worth of U.S. barley, corn, and grain sorghum.

Initially, when first established in 1956, the CCC Credit Program provided for CCC acceptance of letters of credit issued by U.S. banks only. However, in April 1966, the program was amended to provide for acceptance of letters of credit issued by foreign banks, provided the letters of credit were confirmed at least 10 percent by U.S. banks. Since this change, the Department has established credit lines for several East European countries, including Bulgaria, Czechoslovakia, Hungary, Poland, and Yugoslavia. In all cases where the credit period is longer than 12 months and the bank obligation is issued by a foreign bank, each line of credit must be approved by the National Advisory Council on International Monetary and Financial Policies.

From inception of the CCC Credit Program in 1956 until the present, approximately \$105 million worth of agricultural commodities have been exported to Poland, Czechoslovakia, Hungary, and Yugoslavia. Of this amount, business done in fiscal 1967 amounted to approximately \$53 million and involved exports of wheat, feedgrains, rice, and cotton. So far in fiscal 1968, exports to Poland and Yugoslavia have amounted to approximately \$36.6 million. There have been no exports to Czechoslovakia or Hungary during the current fiscal year. Under lines of credit still outstanding, we expect some additional exports during the remainder of the year.

This is a useful export program. Its terms are commercial with interest rates at or above prime rates in the United States. For letters of credit issued by a foreign bank, the rate of interest is 1 percent higher than for U.S. banks. Unless other considerations become overriding, we believe it to be in the overall interest of our balance of payments objectives to use this program wherever helpful and appropriate in selling products in Eastern Europe.

A second means of bargaining is through barter. Barter exports

take place either under P.L. 480 or under the CCC Charter Act. Proceeds from barter exports are used in meeting requirements of government agencies overseas, thus saving dollars.

Three East European countries are considered eligible to receive our agricultural exports under the barter program—Yugoslavia, Poland, and Romania. From the beginning of fiscal 1965 to January 1 of this year, our exports under barter to these three countries totaled \$26 million and included cotton, corn, grain sorghums, and soybean oil.

We do not expect any significant expansion in barter exports to these three countries. If eligibility were broadened to include some of the other Communist countries, however, there would be possibilities for additional exports under this program.

As can be seen, our agricultural exports to Eastern Europe are, at this time, quite limited. Consumer income and demand in the area continue to rise, however, and there are a number of agricultural products which produce efficiently and sell competitively; these would have potential for expanded sales in the Soviet Union and Eastern Europe if times and conditions were to permit us to compete for the business.

## Japan's Farm Labor Shortage

Farm population in Japan has been falling for about two decades as it has in other highly industrialized countries. In 1948, farmers comprised 47.3 percent of Japan's total population. Today they make up less than one-fifth. This drop poses "a serious national agricultural problem," according to a chief newspaper *The Mainichi Daily News*. That problem centers in productivity.

The number of farms in Japan is trending downward at a very slow pace. These small farms—currently averaging 2.4 acres—are a formidable obstacle to mechanization, which is the only way to compensate for the outflow of labor from agriculture.

Furthermore, the able-bodied members of a farm family are the first to seek employment in industry, leaving the bulk of farm work to the grandparents and housewife. Thus, most Japanese farmers are in effect "part-time" farmers. Average net income per farm household from agricultural activities in 1965 was \$1,014 compared with a nonagricultural income of \$1,098, and the gap between the two is widening in favor of the latter.

The major obstacle to the agricultural mechanization that would both increase output and lift farm incomes is a definite unwillingness to consolidate small farm holdings. Skyrocketing prices for rice fields near expanding cities have created many an overnight millionaire in the last decade in Japan, and belief in the potential value of every land plot is entrenched. Farmers think that land prices will always continue upward and that the longer a farm is held, the higher its value will rise.

Two other factors inhibit a trend to larger farms. Japanese farmers have a strong traditional attachment to the land handed down by their ancestors, so they are reluctant to sell long-standing family holdings. Abolition of absentee land ownership by the post-World War II Land Reform Law eliminated all legal means for a farmer to rent his land freely.

The Japanese Government sees scant use in trying to influence farmers to sell their land to those interested in modern large-scale farming. Therefore, promoting land rental is the current approach, and a bill for the renting out of farms (with no limit to the rental) is being drafted to present to the current Diet. The government would not interfere except in cases where the rental was exorbitant, and absentee land ownership up to 2.5 acres would be authorized.

—Based on a dispatch by LEON G. MEARS  
Assistant U.S. Agricultural Attaché, Tokyo



# Post-rationing survey shows— British Trend to More Convenience Foods

British average household expenditure per capita on food increased nearly 6 percent in real value over the 10 years 1956-65. Average food expenditures per capita rose about 25 percent during the decade, but food prices also rose about 19 percent.

Much of the gain in real value of food expenditures was due to increased purchases of convenience foods, and most of it took place between 1959 and 1961. There was also some shift in the spending pattern from cheaper to more expensive foods. Except for some fluctuation in average protein intake over the 10 years, changes in expenditures had little effect on nutrient content or calorie value of food bought for household consumption. Among individual foods, those for which average consumption increased over the decade were poultry meat, pork, quick-frozen vegetables and fish, soups, and instant coffee. Among foods for which consumption decreased were bread, preserves, and margarine.

These are some of the findings of a countrywide food survey reported recently by Great Britain's National Food Survey Committee. The report, which covers a period when British consumers were adjusting to a greater freedom of food supply and choice following the end of rationing, contains information useful to anyone interested in the British market for food.

The National Food Survey, begun in 1940, is a continuous sampling inquiry into the domestic food consumption and expenditures of private households. It measures quantity of food entering the household, both purchased and free, but not the amount actually eaten. Results are reported as overall per capita averages and as per capita averages by region, by type of area (classified by degree of urbanization), by family income class, and by household composition.

## Convenience foods purchased

For survey purposes, convenience foods included those that have been processed by the manufacturer to a point that they may be used as labor-saving alternatives to products that are less highly processed.

The real value of average per capita purchases of convenience foods was over 25 percent greater in 1965 than in 1956. The proportion of household food expenditures that went for convenience foods increased over the decade from 17.1 percent to 19.1 percent. The average price level of convenience foods was relatively stable until 1963; in the 2 last years of the 1956-65 period, prices of many of the foods rose more rapidly.

The table at right shows the index numbers of purchases of convenience foods for the first and last years of the decade under study. Purchases of canned corned meat declined from 1956 to 1963; demand, which collapsed in 1964, had recovered very little by 1965. Purchases of quick-frozen peas and beans quadrupled over the 10 years, but by 1965, the rate of increase seemed to be slackening. The marked gain in popularity of fruit juices over the decade may be partly responsible for the lack of any substantial growth in purchases of oranges and other fresh citrus fruits.

## Highlights of survey findings, by food groups

**Milk and cheese.** There was little change in average per capita purchases of liquid milk over the decade, but demand for cream expanded rapidly. Purchases of natural cheese tended to rise slowly; processed cheese showed no pronounced trend.

**Meat and poultry.** Throughout the decade, consumption of poultry, canned meat, and meat products was expanding.

Between 1956 and 1959 this expansion was offset by falling purchases of carcass meat, due principally to decreasing beef supplies; from 1960 to 1963, when beef supplies improved, consumption of carcass meat rose, then fell back again in 1964 and 1965. Consumption of mutton and lamb tended to decline over the decade. Pork consumption was fairly steady through 1961; after that it rose sharply. Poultry consumption rose from 0.6 ounce per person per week in 1956 to 3.4 ounces in 1965.

**Fats.** Consumption of margarine declined appreciably over the decade. Butter consumption increased rapidly from 1956 to 1958, fell back in 1959, varied only slightly from 1960 through 1965. Consumption of lard and compound cooking fat was stable for much of the decade; purchases of suet and drippings declined; consumption of other fats, oils, and creams—mainly vegetable oils, salad oils, and synthetic creams—grew rapidly.

**Sugar and preserves.** Consumption of sugar fluctuated within narrow limits throughout the decade—17-1/2 to 18-1/2 ounces per week. Consumption of jams, jellies, and fruit curds declined slowly at an average annual rate of about 2 percent.

**Vegetables and fruits.** Consumption of potatoes, green vegetables, and fresh fruits showed no pronounced trend over the decade. Potato consumption declined slightly—from 57 ounces per person per week to 53 ounces. Consumption of fresh green vegetables varied between 13.6 ounces per person per week to 16.0 ounces according to availability of supplies. There were few important changes in consumption in this group other than the rise in purchases of quick-frozen peas and beans already mentioned.

Purchases of fresh fruit, including tomatoes, have not advanced in recent years from the level of about 23 ounces per person per week attained in 1959-60. Total consumption of canned and dried fruits rose slowly from 6-1/2 ounces in 1956 to 7-1/2 ounces in 1965.

**Cereal foods.** Bread consumption declined from 51.1 ounces

CONVENIENCE FOODS BOUGHT BY BRITISH HOUSEHOLDS  
1956 AND 1965: INDICES OF QUANTITIES  
(1958 = 100)

Convenience food	1956	1965
<b>Canned:</b>		
Corned meat . . . . .	92	52
Bacon and ham, cooked and canned . . . . .	94	113
Other cooked and canned meats . . . . .	89	126
Canned and bottled fish . . . . .	86	121
Canned peas . . . . .	101	93
Canned beans . . . . .	93	126
Other canned vegetables . . . . .	76	186
Canned and bottled tomatoes . . . . .	95	75
Canned peaches, pears, pineapples . . . . .	90	117
Other canned and bottled fruit . . . . .	90	132
Canned soups . . . . .	85	159
Quick-frozen peas and beans . . . . .	59	247
<b>Other:</b>		
Meat products . . . . .	85	126
Cooked fish . . . . .	91	103
Fruit juices . . . . .	86	217
Cakes and pastries . . . . .	98	110
Biscuits . . . . .	95	104
Puddings, ice cream served as a part of a meal . . . . .	64	199
Breakfast cereals . . . . .	101	109
Other cereals . . . . .	103	89
Dehydrated and powdered soups . . . . .	56	139
All convenience foods . . . . .	92	118

per week in 1956 to 40.6 ounces in 1965. Consumption of flour fell from 7.9 ounces in 1956 to 6.1 ounces in 1965, most of the decline being in purchases of self-rising flour. There was some increase in consumption of cakes, biscuits, and breakfast cereals. The greatly increased use of prepared puddings may explain the fall in purchases of rice.

**Beverages.** Tea consumption was 2.8 ounces per person per week in 1956 and remained at very much that level until 1964, when it fell to 2.7 ounces, then to 2.6 ounces in 1965. There is little doubt that part of the reason for the weaker demand in 1964 and 1965 was the rising demand for instant coffee. Between 1960 and 1965, consumption of instant coffee almost doubled; before 1960, it was not classified separately in the survey. Consumption of bean and ground coffee remained fairly stable over the decade.

### Some regional food differences

Regional patterns of consumption differed more widely than regional averages of total food expenditure per capita in the 1956-65 decade. In general, there was no pronounced regional pattern of nutrient consumption; however, there was a progressive increase in intake of animal protein from a low value in Wales, through Scotland and the north of England, to higher values in the Midlands and the south and finally in London.

Between 1956 and 1963, regional averages for total food expenditure per head were becoming more dissimilar; since then they have tended to become more uniform. For example, in 1956 and 1957 the average food expenditure per capita in London was about 6 percent above the national average, it rose to more than 8 percent above it in 1961 through 1963, then fell back to only 6 percent above in 1965. In contrast, average expenditure in Scotland was about 2 or 3 percent below the average in 1956, dropped to 4 and 5 percent below in 1959 and 1961, then increased to a level closer to the national average in 1964 and 1965.

There was also a tendency for average expenditure on convenience foods to become more uniform between different regions and types of areas, the more rural regions tending to catch up with the urban areas. This general tendency parallels the developments in retail food distribution, such as the spread of self-service outlets and supermarkets.

Among other regional characteristics noted: In Scotland and in the north of England, consumption of cakes and biscuits was relatively high; consumption of fresh fruit, green vegetables, butter, cheese, and pork was relatively low. In northern England, however, the consumption of bacon and canned vegetables was well above average, which was not the case in Scotland. The diet in the south and southeast of England (including London) was characterized by high average consumption of fruit and green vegetables, but not of potatoes or other vegetables; it contained relatively large quantities of poultry, pork, and mutton and lamb—but not of beef, bacon, or other meat. In rural areas, average consumption of flour, margarine, butter, preserves, sugar, eggs, milk, cheese, and bread was comparatively high, but that of vegetables and fruit below average. Rural households also consumed higher than average quantities of beef, veal, and bacon—lower than average quantities of pork, mutton and lamb, other meat, and fish. In Wales, purchases of butter, cooking fats, flour and sugar were well above the national average. Coffee consumption was well below average in both Wales and Scotland.

### Some differences between types of households

Differences in average food expenditure and value of per capita consumption between households of different composition were

much more pronounced than differences between income classes or regions. However, expenditure on convenience foods became more uniform over the decade as larger families increased purchases—particularly of quick-frozen peas and beans and of soups.

Consumption of cheese increased more in adult households than in those with several children. Consumption of beef, veal, and mutton and lamb was lower in all types of families at the end of the decade than at the beginning (as were available supplies of beef), but purchases of pork were higher, particularly in small families. All groups increased their consumption of other kinds of meat. Consumption of poultry rose relatively more rapidly in larger than in smaller families. All groups reduced their average consumption of bread per capita as well as their purchases of flour. Average per capita consumption of fats, by all families was about the same in 1965 as in 1956, but large families were consuming less per capita at the end of the 10-year period than at the beginning, older couples and wholly adult households more. The ratio of butter-to-margarine purchases increased in all groups. A downward trend in potato consumption was most clearly marked for families with children.

Average food expenditure per person differs widely between small and large families. At the decade's beginning, prices paid for comparable baskets of food by younger childless couples were 10 percent higher than those paid by the largest families. This range was about 7 percent 10 years later.

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The report discussed in this article is: Household Food Consumption and Expenditure: 1965, annual report of the National Food Survey Committee, Ministry of Agriculture, Fisheries and Food, 1967.

## Drought Relief in Ecuador

Ecuador's Government is taking urgent measures to alleviate the effects of drought on farms in the coastal area of the country, according to a recent announcement of the Ministry of Agriculture and Livestock. These measures to offset the effects of one of the worst droughts in Ecuador's history emphasize assistance to producers of cotton and rice.

The government will import 10 tons of cotton seeds to be distributed to farmers who are able to replant with possible beneficial results. It will also import 8 tons of sesame seeds to be distributed.

The Institute of Hydraulic Resources will drill wells to extract water for irrigation of the cotton zones that still can be recovered. Two deep well drillers will be used in this work. The National Development Bank plans to ease terms of credit for acquisition of irrigation pumps and will also make loans for irrigation systems.

A detailed study of the drought situation will be made to determine a working plan between the public and private sectors and means of financing a total and definite solution to the problems plantations have when there is no rain or too much.

While February rains partially eased the drought situation in parts of the coastal area, the situation in other parts of this area remains critical. Much of the damage done to rice, cotton, and oilseeds is considered irreparable. Reportedly, banana plantations in parts of El Oro Province and cattle in the Manabi area have suffered considerably.

It is too early to make specific estimates of total drought damage. Much will depend on how well the more seriously affected crops, such as rice, can come back after replantings.

—Based on dispatch from WILLIAM C. BOWSER  
U.S. Agricultural Attaché, Quito



*In the Pacific off the coast of Peru, fishermen haul in anchovies—the fish that make up 95 percent of Peru's total catch and are the basis for its large fishmeal industry. Other fish used to make the world's fishmeal include menhaden, herring, and pilchard.*



## Fishmeal—Agricultural Input From the Sea

Fishmeal—before World War II regarded as merely a byproduct of fish-oil production—is today a major commodity in its own right, and a considerable item in world trade. It is used chiefly as an ingredient in poultry rations and valued particularly for its high-quality protein.

Like the other major high-protein meals traded internationally—soybean, cottonseed, peanut, sunflowerseed, linseed, coconut, and palm kernel—fishmeal has increased in importance in recent years with larger numbers of livestock and poultry and improved feeding practices. Of the major meals, fishmeal is the third largest in world export volume and among the most rapidly growing in both exports and production.

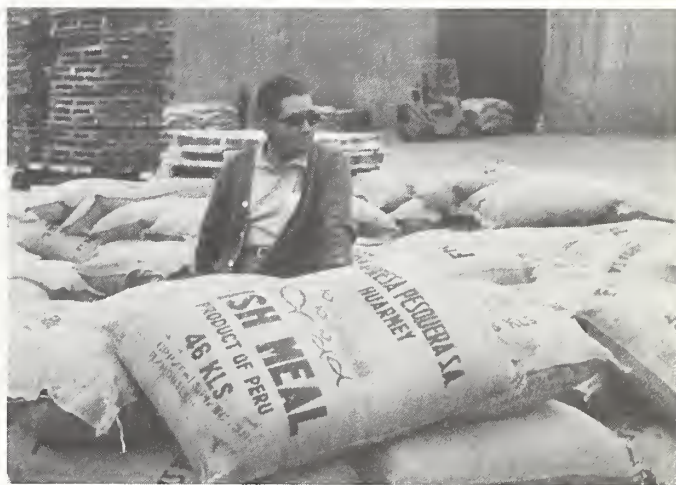
Since 1960 world fishmeal exports have more than doubled, rising from less than 1.1 million short tons to 2.6 million tons in 1966. Most of the growth resulted from expanded exports from Peru, which today accounts for about three-eighths of world production and three-fifths of world exports. Other important exporters, although relatively small, include Norway, South Africa, Iceland, and Chile. Together, these top five handle well over four-fifths of world trade.

Peru's fishmeal production, which has exploded from 35,000 short tons in 1956 to 2 million tons in 1967 is an important source of competition for U.S. soybean and other oilseed meals, in both domestic and foreign markets.

Many countries besides the five leaders have expanded their fishmeal industry and exports in recent years because of strong world demand for this product. Exports from Denmark, Canada, and Angola also amount to a sizable volume.

The United States, where fishmeal was first manufactured, produces from 200,000 to 300,000 short tons each year and imports considerably more than it produces. In 1966, U.S. production of fishmeal amounted to 267,000 tons. Imports—mostly from Peru—totaled 450,000 tons, and exports about 50,000 tons.

Before the 1930's fishmeal was used primarily as a fertilizer.



*Peruvian fishmeal being readied for export. Peru, Norway, South Africa, Iceland, and Chile produce most of the fishmeal exports.*

It is no longer used for this purpose because of the strong demand for it in animal feed. Today's demand for fishmeal in animal feed is the result of discoveries made largely by various agricultural research agencies that have demonstrated fishmeal's value as a protein supplement and as a source of other nutritive factors.

Species of fish used to make fishmeal are those that are edible but too coarse or otherwise undesirable for human consumption and fish of desirable species from areas where they do not grow to commercial size. Most U.S. fishmeal is made from menhaden caught in the Atlantic and Gulf areas. Peru and Chile make most of their fishmeal from anchovies. In Norway and Iceland, herring is the main fish used for meal; in South Africa, it is the pilchard that makes up most of the meal.



# São Paulo's CEASA Brings Increased Market Efficiency to Brazil

By SHACKFORD PITCHER  
U.S. Agricultural Officer, São Paulo

Marketing of agricultural products in eastern Brazil has become much easier since CEASA, a new wholesale produce terminal, came to São Paulo 2 years ago.

Located in Jaguaré—only 6 miles from downtown São Paulo City—the new market boasts over 120 acres of sales area through which moves practically every type of farm product conceivable. In modern facilities, it is surpassed by few, and in size, it is out-ranked only by four other markets, none of which is located in South America.

## Run by the State

CEASA, which stands for Centro Estadual de Abastecimento S.A. (State Central Supply Company) is a State-owned corporation under the orientation of the São Paulo Secretariat of Agriculture and managed by a governor-appointed board.

Since it began operations in January 1966, CEASA has fast replaced São Paulo's congested municipal wholesale market and consolidated the activities of other district markets. It serves one of the fastest growing metropolitan areas, with a population exceeding 6 million people, as well as nearby States of Guanabara, Rio de Janeiro, and Minas Gerais.

Located on a flat area reclaimed from a former river bottom, it is reached by several important highways connecting the city of São Paulo with principal agricultural zones. A circumferential highway, already nearly half completed, will soon provide it with even greater access to the agricultural zones of the coastal areas of the State, as well as to the port of Santos and nearby fishing centers.

The market complex at Jaguaré includes a restaurant, several banks (open day and night), as well as a fire station, first aid clinic, and other service facilities. (Included in the market's expansion plans are more shops and service facilities.) And the Secretariat of Agriculture maintains a "Casa de Lavoura" there, with a farm extension agent always on duty.

In addition to the terminal market at Jaguaré, CEASA has constructed 11 fish warehouses and ice plants throughout the State of São Paulo—2 already operating and 4 more to go into operation soon.

## Huge farmer's market

The heart of the terminal market is the large farmers' shed, which not only dominates the market architecturally but offers a thrilling sight in the middle of the night when buyers and sellers are scurrying around crates and piles of green produce such as lettuce and cabbage. The shed has a floor area of 4 acres entirely under cover, and it alone is larger than the municipal market. It offers space as a farmers' market for individual producers and the large cooperatives, the largest one of which is COTIA with over 13,000 family members.



*Above, interior view of farmers' shed in the Jaguaré marketing facilities are seen in the 120-acre CEASA complex.*



*Trucks, above, line up for unloading at the Jaguaré marketing facilities. Right, truckers reload watermelons at Jaguaré.*

Although supermarkets are expanding their activities in Brazil, the street produce market continues as the major retail distribution outlet, even in large cities like São Paulo. Thus, one finds a large number of produce buyers shopping to fill truckloads of mixed items. These trucks loaded with fruits and vegetables spread out through the city during the early morning hours, and their operators set up stands at ambulating street markets.

Surrounding the farmers' shed is a group of 6 buildings with 38 stalls each. These stalls are leased by produce dealers, including the cooperatives, for selling items such as tomatoes, cucumbers, corn, squash, cassava root, and other crated produce. There is also a special platform for 110 trucks where sales in large lots or by the truckload can take place. At this platform trucks do not need to completely unload, as sellers need to display only samples of their produce. In another area there are buildings for handling potatoes, onions, and eggs.

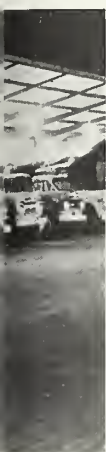
## An expanding fruit market

The fruit marketing area consists of 12 buildings with 13 stalls each. The stalls are leased by fruit merchants, many of whom have installed cold-storage facilities for handling the more perishable items like imported deciduous fruits. São Paulo





inal Market, CEASA. The latest in  
st farm market in South America.



ish market.  
nal Market.



Top, night view of crated vegetables in stalls  
built for the marketing of these products. Above,  
buying artichokes at CEASA's Artichoke Fair.

fruit merchants continue to do most of their business at their warehouses located in the vicinity of the municipal market. The transition to Jaguaré is going slowly but continues, and already many of the larger merchants have opened branches at the new market. Their resistance to moving is understandable as many of them own their downtown warehouses. These outlets are still more centrally located for selling to street vendors, many of whom pick up a couple of boxes of apples a day by taxi.

Brazil is the world's largest banana-producing country and the second largest orange producer. The State of São Paulo accounts for over 40 percent of the Brazilian orange crop and for about 17 percent of the bananas grown. Although very little of the fruit marketed at Jaguaré moves into export, it is served by fruit merchants who handle exports.

Jaguaré has brought about more orderly marketing of bananas, as formerly dealers would park their trucks on city streets disrupting traffic. Today an average of over 100 truckloads of 5-6 tons each of bananas are handled daily.

While the Jaguaré market serves the consumers and farmers in São Paulo State, the fish market makes possible the distribution of more and more fresh fish in cities throughout the State.

In April 1967, CEASA assumed additional responsibility over

fish marketing in the State, and it eventually will take over operations of such government agencies as CIBRAZEM (warehousing) and SUDEPE (fish marketing). In addition, CEASA has begun to regulate fish supplies to eliminate wide price fluctuations. Eventually it will be able to stabilize prices to the advantage of the industry as well as the consumer.

Even now, the covered fish market at Jaguaré has a loading area which serves 50 trucks at one time. Trucks with top-icing as well as a few large refrigerated vans bring their cargoes from the coastal area some 50 miles east of São Paulo. Besides the platform, there are 235 metric tons of freezer space and an ice plant with a capacity of 50 tons per day.

Such modernization is badly needed by São Paulo's fishing industry. Reportedly, nearly 60 percent of the fleet is using very antiquated fishing methods, partly because of unsatisfactory returns to the fishermen. These low returns reflect deficiencies in the fish marketing system, which keep a large portion of the catch from ever reaching the consumer's table. A major bottleneck here has been inadequate cold storage, both at the ports and at interior marketing centers. Conditions in the industry are rapidly improving, however, thanks to CEASA's expanding facilities for handling fish.



In addition to being a marketing center for farmers and tradespeople, CEASA's terminal market has become a great tourist attraction. One of the main reasons behind its appeal to tourists is that several of the buildings are available for exhibitions, such as the National Food Fair.

### **Japanese Crown Prince honored**

An example of such activities at CEASA was an exhibition late last year honoring the visit of the Japanese Crown Prince to Sao Paulo. The exhibition focused on achievements of Brazilians of Japanese descent, many of whom are seen at CEASA daily as produce farmers, cooperative representatives, and dealers.

CEASA's management also frequently sponsors fruit and vegetable specialty

fairs, such as the annual artichoke, strawberry, grape, persimmon, and citrus fairs. At these, visitors are able to buy produce at very attractive prices. Other CEASA attractions for the ultimate consumer are the retail produce section and the COBAL store—a federally run shop offering principal food commodities to consumers at popular prices.

While this giant selling complex was in the planning stage, developers looked to European and U.S. wholesale markets—like the Philadelphia Food Distribution Center—for ideas. Today, the tables have been turned. News about CEASA's achievements have spread throughout Brazil, and visitors from other State marketing authorities come here to study market layout and operations.

## **Japan's Imports of Feedgrains Mount But U.S. Accounts for Smaller Share**

Japanese imports of corn and grain sorghum continued to grow during 1967 in response to the ever-expanding demand from mixed feed and livestock producers. The United States, however, failed to share in this market growth, with sales of corn in Japan off over half a million tons and those of grain sorghum rising slightly but not in proportion with the total gain.

Desire on the part of Japan to diversify its agricultural trade and stiff price competition were responsible for the less favorable U.S. position.

### **U.S. gets less of corn market**

Japanese demand for corn is expanding rapidly, resulting in larger imports since local production—estimated at only 61,000 metric tons for 1967—accounts for less than 2 percent of consumption. Total corn imports in 1967 reached a record 3.96 million metric tons, about 10 percent above those in 1966. The United States, however, supplied only 1.58 million tons, or 40 percent of the total, compared with 2.2 million (62 percent) in 1966.

During the last half of 1967, U.S. corn exporters faced stiff competition, especially from South Africa, which entered the market in March 1967 following a 2-year interruption due to poor harvests. During all of 1967, Japan's imports of South African corn totaled 706,505 metric tons—600,000 of which arrived in July-December. To capitalize on this active demand, a South African corn team visited Japan in October 1967 with the purpose of initiating a long-term corn agreement. There was little interest among Japanese

traders for such a contract, but South Africa is expected to continue as a major supplier for at least the next 6 months.

Also providing stiffer competition to the United States were Mexico, Indonesia, and Brazil, which through November of last year shipped Japan considerably more corn than in 1966. Japanese corn purchases from Mexico, for instance, were up to 356,300 tons in the first 11 months of 1967 from 239,844 in all of 1966.

Thailand, a supplier of increasing importance in Japan, was a formidable competitor in late 1967 but has decreased sales in recent months because of a poor harvest. The original 1967-68 agreement between Japan and Thailand called for shipments of 720,000 metric tons, but trade sources indicate that the full amount may not be delivered. Lower supplies also reduced sales by Mainland China, from 144,910 tons in 1966 to 73,106.

### **Seeking to diversify trade**

While Japan continues to import corn from all countries with supplies available at competitive prices, it has been giving increased emphasis to trading with the developing countries in Southeast Asia and Africa. This policy is prompted by a desire to diversify sources of supply and to correct the trade imbalance between Japan and several of these countries.

Accordingly, the government established in mid-1967 the Overseas Technical Cooperation Agency (OTCA) as an agricultural development section under the Ministry of Foreign Affairs. Initial objective of that section is to assist in promoting

feedgrain production in several developing countries.

A Japanese corn team is now in Cambodia and two additional teams will depart for that country soon. One result of this help, according to a reliable trade source, will be the establishment in 1968 of a new company called "Tropical Corn Cultivation Corporation," with initial capital of about \$900,000. Several Japanese trading companies are providing capital for this new firm.

In November 1967, the OTCA also sent a team to Indonesia to investigate the potential for expanding corn production and it is planning to send teams to Thailand and Tanzania. OTCA's goal is to establish "stations" in these countries which would be manned by Japanese agricultural experts and equipped with Japanese implements and fertilizers.

### **Grain sorghum imports rise**

Japan also increased its purchases of grain sorghum in 1967, to 2.58 million tons from 2.25 million in 1966. The United States fared better in sales of this commodity than of corn. Nevertheless, it still saw its market share fall from 89 percent in 1967 to 87 percent, while competitors Argentina and Mexico inched ahead in market position. Japanese imports of U.S. grain sorghum in 1967 totaled 2.24 million tons, compared with 2 million in 1966.

Here again, Japan is urging diversification of trade, and the United States can expect stepped up competition in the grain sorghum market in coming years.

One reason behind the expansion in total Japanese imports of grain sorghum in 1967 was the increased demand for this product as an ingredient in formula and mixed feeds. During January-October 1967, the proportion of grain sorghum in these compounds rose to 25.5 percent from 24.0 percent in the previous year. Primary reason for this expansion was the attractive pricing of grain sorghum vis-a-vis corn. (Local feed manufacturers believe the feeding value of sorghum is about 5 percent less than that of corn and use this rule of thumb in determining which is the better buy.) Since October, however, the price gap between the two grains has narrowed, and at times grain sorghum has actually been quoted at a higher price than corn. If this close price relationship continues, the trend toward a higher proportion of grain sorghum in mixed feeds will probably be reversed.

*Based on dispatch from  
ELMER W. HALLOWELL  
U.S. Agricultural Attache, Tokyo*

# Latin American Catalog— Agricultural Publishing Effort Picks Up Pace

Only a few years ago a paucity of technical publications in the Spanish language was a major deterrent to agricultural development in Latin America; but now a new thrust by the Alliance for Progress has helped create a vast increase in the available literature. An evidence of this increase is a new catalog, *Textos Universitarios Editados en Hispano América, 1967-68*, which lists an impressive number of books pertaining to the sciences, arts, and technology and includes texts on various phases of agriculture. Such books were nonexistent in Spanish a few years ago.

Although it does not give itself credit in the 740-page volume, the first comprehensive catalog of books in Spanish published in Latin America, the Regional Technical Aid Center (RTAC) provided the initiative for publishing the work. RTAC is headquartered in Mexico City and has a branch office in Buenos Aires. It is funded by the U.S. Agency for International Development (AID) and staffed by U.S. Foreign Service Reserve officers and local personnel.

## Catalog a cooperative effort

The catalog was conceived by RTAC and was a cooperative project between RTAC offices and the U.S. Information Service (USIS) in Mexico and Buenos Aires in conjunction with Latin American publishers. The subject and author indexes beginning the volume were compiled at RTAC's offices in Mexico City. The remainder of the catalog, some 24 individual sections, was paid for by 24 different publishing companies that operate in Latin America and was designed to advertise their books. As one might suspect, the formats of the 24 sections, types of information supplied about books, coherence of arrangement, attractiveness of presentation, and other factors show considerable variety. Some publishers give complete descriptions of books, prices, tables of contents, and pictures of covers. Others list only the book name and author.

Many of the books on agriculture and other technical subjects listed in the catalog are in print because of RTAC and its arrangements with book publishers in Mexico City and Buenos Aires. First, AID project officers request a Spanish-language edition of a specific volume needed for an individual development program. RTAC acts as a clearing house for such requests. When enough AID

orders for a certain title have been received, RTAC approaches a publisher and guarantees to buy a certain number of books if the publisher will print out the title. With his commercial risk lowered or eliminated by the advance order, the publisher usually agrees. Once the publisher delivers the books ordered by RTAC, the contract between the two parties has been fulfilled and the book continues to be available commercially. RTAC has initiated the publication of more than 500 agricultural books and pamphlets.

## Translations of American texts

Several interesting pieces of information become apparent after careful study of the catalog *Textos Universitarios*. For example, in thumbing through publishers' sections, it becomes obvious that the majority of books on agriculture are translations of books originally published in the United States and are by American authors. A much smaller number are of British origin, and a few are French or Italian.

A considerable number of U.S. Department of Agriculture (USDA) publications, especially agricultural yearbooks, have been translated and published under the auspices of RTAC. Almost half the books listed by one publisher, Editorial Herrero, S.A., are translations of USDA material and were sponsored by RTAC. Prices for yearbooks published by Herrero range from US\$10.00 to US\$18.40 in Mexico. Some USDA yearbooks have been published independently by other companies, and some have been published by two companies at different listed prices.

Agricultural texts not sponsored by RTAC have been published by companies under a variety of legal and business arrangements. Agreements range from simple sale of foreign book copyrights to Spanish-language publishers to joint enterprises between Spanish-language and English-language publishers. Examples of books on agriculture published under the latter arrangement are those found in the listings of Editorial Limusa Wiley, S.A., which is an affiliate of John Wiley & Sons, Inc., based in New York City.

From reading the addresses of publishers (usually given at the beginning of publishers' sections) it rapidly becomes evident that the two centers of publishing in Latin America are Mexico City and Buenos Aires. Nearly all companies are based in one of the two locations, and

many have offices in both. A few organizations have major offices in Chile or Colombia. Large companies may have distribution offices in many Central and South American countries and in the Spanish-speaking Caribbean. Agricultural and other books are more available in Mexico and Argentina than elsewhere in Latin America.

Prices, when they are listed in the catalog, are moderate for the lengths of books and the numbers of illustrations but are not usually low. Some representative titles and prices are: *The Fertility of the Soil*, by L. M. Thompson, 420 pages, 165 illustration, US\$5.20; *Bird Diseases and Parasites*, by Barger, Card, and Pomeroy, 400 pages, 84 drawings, US\$6.00; *Marketing Farm Products*, by G. S. Shephard, 616 pages, illustrations and photographs, US\$12.35.

## Diverse indexing

One of the less attractive features of *Textos Universitarios* as a catalog is that the indexing is neither as complete nor as accurate as it might be and that there are no cross references. Although books listed under the subject index heading "Agriculture and Livestock Raising" range in matter from silage treatment to pest control to agricultural sociology, other books on agriculture or related to agriculture can be found under such diverse headings as "Administration," "Biology," "Botany," "Economics," "Sociology," and "Veterinary Medicine." A few books on agriculture seem to have been stepchildren and did not make it into the index at all. Although time-consuming, reading individual publisher's listings may be rewarding and of use.

## Copies are obtainable

The catalog has already been widely distributed by AID in Latin American countries to universities, libraries, and government agencies. In addition, it is available for reference at USIS libraries. Anyone who needs a private copy should apply to the AID mission in the country where he is living.

Persons in the United States who want the catalog should make application to Regional Technical Aid Center  
c/o American Embassy

Mexico, D.F., Mexico

Because only a limited number of the catalogs are available, priority will be given to requests that indicate a specific need for the publication.



# Gains in West German Corn Production Not Likely To Reduce Feedgrain Imports

Production of corn for grain in West Germany, although relatively small when compared with other grains, has made spectacular gains over the past few years and is likely to repeat this performance for at least the next few. Nevertheless, increased domestic output is not likely to reduce imports as the demands of the feed industry rise faster than local corn production. (Corn accounts for the largest portion of the U.S. feedgrains exported to Germany. In 1966-67, corn exports totaled 1 million metric tons out of total feedgrain sales of 1.35 million.)

West German corn output in 1967 totaled 196,500 metric tons against 126,900 in 1966—an increase of 55 percent. Since 1963, acreage has more than trebled from 32,300 acres in that year to 102,700 in 1967. Yields have benefited from a combination of good weather and progress in fertilization and the breeding of new varieties. Last year, an average of 74.2 bushels per acre was harvested, compared with 64.5 bushels in 1966 and a 1961-66 average of 58 bushels.

## More efficient production

Corn's good showing of the past several years has come about for several reasons: The introduction of hybrid seed corn, both imported and domestic; more efficient use of fertilizer and chemicals for weed control; improved machinery, making corn a "fully mechanized" crop; higher yields than other feedgrains (an average of 22 percent higher than barley in 1963-67); and corn's substitutability for root crops in crop rotation schemes.

Despite all these points in favor of corn, several problems would have to be ironed out before it could even begin to become a major German grain crop. These include problems of climate, varieties, yields, and capital investment.

So far, most of the varieties of corn produced in Germany have been too late-maturing to grow in the northern part of the country. As a result, corn growing has been restricted pretty much to the south. Some 82 percent of the corn acreage last year was in Baden-Wuerttemberg and Bavaria, where farmers plant the late hybrid varieties. In these two States farmers have reaped profitable crops as a result of improved fertilizations practices, increased use of machinery, and use of varieties best adapted to the area.

Reports of these good results led to experiments in growing corn in other

parts of the country. These experiments—chiefly in the east and northeast—showed that the late hybrids planted in Baden-Wuerttemberg and Bavaria cannot be used successfully north of the Main River. More recent studies in Schleswig-Holstein, Lower Saxony, Hessen, and Northrhine-Westfalia indicated that corn production would be feasible in these States if earlier maturing varieties could be introduced.

## Farmers' enthusiasm limited...

Even with early-maturing varieties, however, farmers are wary of growing corn because of unpredictable frosts and wet harvest conditions, resulting in variable yields.

Another stumbling block to the northward spread of corn acreage is the farmers' reluctance to invest in machinery when other conditions for profitable corn production are so uncertain. Not only would costly field equipment be necessary, but farmers in the north would have the expense of drying equipment and high-cost fuel since corn produced in north Germany would contain at least 25 percent moisture at harvesttime.

Nevertheless, some German experts, especially seed producers, believe that corn production could be raised to 1 million tons within the next 5-8 years. To support this conviction, they cite the reasons for the increased production of the past few years. To these reasons they add that the necessary efficient machinery

is available and that many seed companies are working on improved early-maturing varieties.

The predictions of the experts may very well prove optimistic. Even in the traditional corn-growing areas of Germany farmers do not seem inclined to increase corn acreage substantially but are rather in favor of growing wheat. Farmers surveyed on the disadvantages of growing corn for grain mentioned the high costs of drying and problems of utilization. In the north, where even with early varieties corn production would be a risky business, farmers are even less inclined toward this crop. However, production of corn for silage could become very attractive in this area.

Looking to the future, it is likely that corn production will show another large gain in 1968. Many farmers in southern Germany, encouraged by 1967's good outturns under favorable weather conditions, may expand their acreages, perhaps by as much as 20 percent. However, by 1969 or 1970, the rate of expansion is expected to slow down.

Domestic corn has not yet become a commercial commodity in Germany. No price quotations are made for this crop, nor is there any off-farm trade to speak of. It is expected that most corn will continue to remain on farms and be used in livestock and poultry rations. If this proves so, growing corn for silage would be more profitable than growing it for grain because of easier handling and storage and the avoidance of high drying costs.

—Based on a report from

KLAUS WERNER  
U.S. Feed Grains Council, Hamburg

## Australia's New Export Incentives

Australian officials have announced a payroll tax incentive scheme to induce exporters to increase shipments.

The 5-year plan, which will be inaugurated sometime this summer, includes payroll tax rebates and a more generous market allowance. This could cost the Australian Government far more than the \$12 million it is spending on the present plan if exporters respond by increasing their shipments to foreign countries at a proportionately faster rate.

Australia, a major exporter of agricultural products, is one of the United States biggest competitors in overseas markets, particularly in Asia.

The payroll tax incentive scheme will operate from a 3-year rolling base period instead of the present 2-year fixed-base

period. This is intended to iron out typical peaks and drops in an exporter's sales performance. A 5-year lag between the base period and the year on which export incentives are paid has been allowed to give exporters time to consolidate and develop their overseas markets.

The tax rebate will be equal to 10.5 percent of the value of increased exports. Under the current plan a rebate of 1.25 percent is paid for every 1-percent increase in the value of exports over the gross earnings of the base period.

The new export market development allowance will be a straight income tax rebate of 42.5 cents on the dollar for promotional expenses overseas.

From a dispatch by FRED M. LEGE III  
U.S. Agricultural Attache, Canberra



# U.S. Poultry Is Winning Ingredient In Italy's "Golden Recipe" Contest

Italian housewives and amateur cooks some weeks ago showed off their favorite poultry dishes, won some prizes, and took part in an important promotional event for American chicken and turkey—a nationwide "Golden Recipe" contest. The competition was sponsored jointly by *Gioia*, a women's weekly magazine, and the Institute for American Poultry Industries (IAP), FAS cooperators for overseas promotion of U.S. poultry.

The Italian market for U.S. birds is good and growing, especially for turkeys and turkey parts. Last year Italians purchased a little more than \$2 million of U.S. chicken and turkey.

Pre-contest publicity in *Gioia* in December and January drew more than 2,000 entrants—an unprecedented number for this type of contest, according to *Gioia*. The field was narrowed to 8 finalists for a bake-off and taste-testing before 12 judges in a Rome hotel.

The audience at the finals—specially invited journalists, food experts, theater personalities, government representatives, and private businessmen were served an American turkey dinner. Many sampled the competing dishes as well.

First prize went to Miss Caterina Cattaneo for her recipe "Chicken/Turkey Alla Juniper Berries" made with meat from either bird, berries, ground fir needles, and crouton garnish.

Miss Cattaneo was awarded a trip to the United States for two in March. During her 2-week stay she toured parts of the country, was guest at IAPI's Fact-Finding Conference in Kansas City, and appeared on television and in the Chicago press to talk about her winning recipe.

*Right, hotel chef carries in one of several platters of American turkey for judges, contestants, and guests. Below, contest winner Caterina Cattaneo with USDA and IAPI officials at the Institute's Fact-Finding Conference in Kansas City. Bottom, panel of judges—food specialists, entertainers, and other well known personalities—sample the competing dishes.*





# CROPS AND MARKETS SHORTS

## Weekly Report on Rotterdam Grain Prices

Between March 13 and March 20, 1968, there was very little change in offer prices for wheats. Among hard wheats, Canadian Manitoba was unchanged, Russian increased 1 cent while U.S. Spring increased 3 cents. The price for U.S. No. 2 Hard Winter, 12 percent was not quoted, while U.S. Soft Red increased 1 cent. Argentine was unchanged.

Argentine and U.S. corn prices were down 1 cent. South African was up 3 cents from the last previously quoted price of \$1.44 on March 6.

A listing of the prices follows.

Item	March 20	March 13	A year
	<i>Dol.</i>	<i>Dol.</i>	<i>Dol.</i>
	<i>per bu.</i>	<i>per bu.</i>	<i>per bu.</i>
Wheat:			
Canadian No. 2 Manitoba .....	2.06	2.06	2.20
USSR 121 .....	1.96	1.95	(1)
U.S. No. 2 Dark Northern			
Spring, 14 percent .....	1.99	1.96	2.09
U.S. No. 2 Hard Winter,			
12 percent .....	(1)	1.86	2.05
Argentine .....	1.89	1.89	1.99
U.S. No. 2 Soft Red Winter ....	1.76	1.75	2.00
Corn:			
U.S. No. 3 Yellow Corn .....	1.38	1.39	1.60
Argentine Plate .....	1.51	1.52	1.63
South African White .....	1.47	(1)	(1)

(1) Not quoted.

Note: All quotes are c.i.f. Rotterdam and for 30- to 60-day delivery.

## Canadian Wheat Exports Dwindling

Canadian wheat exports during the first half of the current crop year amounted to 118.6 million bushels, 43 percent of shipments for August-January 1966. Volume of wheat flour exports, at 12.5 million bushels grain equivalent, dropped by one-third.

The principal reason for this decline in trade has been lack of sales contracts with the Communist countries. During the August 1967-January 1968 period, total shipments to this group of countries was only 25.7 million bushels, compared with 141.1 million in the same period a year ago. Exports during August 1967-January 1968 to major customers, with comparisons for the similar period last season in parentheses, are as follows: Mainland China, 3.6 million bushels (60.1); the Soviet Union, 17.5 million (59.3); the EEC countries, 27.5 million (31.0); the United Kingdom, 35.2 million (34.0); India, 0.1 million (16.5); Japan, 18.1 million (30.4); and Venezuela, 1.8 million (2.2).

With large shipments scheduled to Mainland China (78.6 million bushels for February-October 1968) and to the Soviet Union (60.8 million for this period), Canadian wheat exports should pick up in the second half of the year. The total year's level is forecast at 350-400 million bushels. This is still well below the 483 million bushels shipped last year (the third highest export total on record). Even if the higher figure is realized stocks at the end of the season may approximate 610 million bushels, the industry's fourth highest carryover.

## Australian Coarse Grain Crops

Production of barley and oats in Australia during the 1967-68 season was severely affected by drought, with the notable excep-

tion of Western Australia where good crops were harvested. Prospects for the current harvests of grain sorghum and corn appear more favorable.

Total barley production during 1967-68, now estimated at about 36 million bushels, fell to 58 percent of the 61.6 million bushels harvested in 1966-67, even though planted area was off only slightly to 2.2 million acres. As a result, barley exports are expected to drop sharply from the 19 million bushels shipped during 1967.

Oat production is now set at approximately 43 million bushels from 3.5 million acres. This is a decline of 65 million bushels from the record crop of 107 million bushels harvested last year and 28 percent below the 1960-64 average. Short of hay and grain, Victorian farmers have requested prohibition of the export of oats from Western Australia so that more may be available to their drought-stricken State. Total exports will, therefore, probably be less than half the 23.3 million shipped last year.

Total grain sorghum production is expected to be close to the 12.5 million bushels produced last year, although acreage is 14 percent below the half-million acres of 1966-67. The sorghum crop in Queensland was affected by drought at sowing time. However, good rains followed the drought and yields may actually be above last year's levels. Production in the Northern Territory is on an increasing trend.

The forecast for corn also anticipates a slightly larger crop in 1968 than in 1967. Queensland's output could decrease somewhat owing to smaller acreage planted, but in New South Wales both the area planted and the seeded acreage under irrigation are expanding. Hence, total production may not be much less than last year's and could exceed the 1967 crop.

## Peru Taxes Cotton Exports

The Government of Peru on November 9, 1967, enacted Law No. 16710 which provides for an advanced profit tax on cotton exports. Complete details of the law are not clear but it is reported that, in practice, the exporter will collect from the producer a sum equivalent to 10 percent of 92 percent of the invoice value of each purchase.

Sales of export cotton were virtually at a standstill from mid-November until early February while details of the export tax were being worked out. Cotton producers objected strongly to the tax on the basis of their economic situation and the increased production costs. The National Agrarian Society has asked the government to abolish the tax. A one-day general stoppage in all commercial cotton activities was recently held in the main Tanguis producing area in an effort to bring pressure on the authorities to exempt the cotton producers and exporters from the export tax.

Peru's cotton production in 1967-68 (August-July) is estimated at 480,000 bales (480 lb. net). This is about the same as in 1966-67 and compares with an average of 632,000 bales in 1960-64. Acute water shortage and insect damage reduced the extra-long staple crop sharply, but the shortfall is expected to be offset by a larger crop of Tanguis. Production of extra-long staple cotton for next season may be no larger than in the current season because water shortages continue to exist.

Peruvian cotton exports totaled 381,000 bales in 1966-67, down moderately from 518,000 a year earlier. Exports in 1967-68 will

likely be down because of the small harvest of extra-long staple cotton. Shipments during the first 5 months of the 1967-68 season (August-December) were around 150,000 bales, compared with 233,000 during the same period in 1966-67. Major countries of destination for Peruvian cotton are Belgium, West Germany, Argentina, United Kingdom, Chile, United States, and France. Around 26,000 bales of cotton were shipped to the United States in 1966-67, primarily extra-long staple.

Cotton consumption is estimated at 95,000 bales in 1966-67, about the same level as in the previous year. Competition from synthetic fibers and contraband textile imports have held domestic cotton consumption relatively steady. Cotton offtake in 1967-68 is not expected to exceed last year's level.

## Meat Imports Subject to Quota

U.S. meat imports subject to quota restrictions in January 1968 totaled 80.7 million pounds. This level of imports was 4 percent greater than for the same period a year earlier when imports totaled 77.4 million pounds. Total red meat imports in January were 126 million pounds, compared with 112 million in 1967.

### U.S. IMPORTS OF MEAT SUBJECT TO MEAT IMPORT LAW (P.L. 88-482)

Imports	January
	<i>Million pounds</i>
1968:	
Subject to Meat Import Law <sup>1</sup>	80.7
Total beef and veal <sup>2</sup>	88.8
Total red meat <sup>3</sup>	125.5
1967:	
Subject to Meat Import Law <sup>1</sup>	77.4
Total beef and veal <sup>2</sup>	82.9
Total red meat <sup>3</sup>	112.4
1966:	
Subject to Meat Import Law <sup>1</sup>	51.9
Total beef and veal <sup>2</sup>	58.2
Total red meat <sup>3</sup>	89.7

<sup>1</sup> Fresh, chilled and frozen beef, veal, mutton and goat meat. <sup>2</sup> All forms, including canned and preserved. <sup>3</sup> Total beef, veal, pork, lamb, mutton and goat.

## Peru Prohibits Farm Imports

The Peruvian Government on March 1 imposed a 90-day ban on imports of certain agricultural products. Object of the ban is to improve Peru's balance-of-payments position.

U.S. export products particularly affected are raisins and tobacco. In 1966 Peru imported 1,110,029 kilograms (\$532,834 worth) of raisins, 61 percent of which originated in the United States. Tobacco supplies are likewise largely dependent on the United States. Volume of tobacco imports in 1966 reached 2,501,000 pounds valued at \$3,340,000, 97 percent from the United States. Cigarettes and cut tobacco were received in largest quantity, with U.S. shipments of 1,439,000 pounds of cigarettes and 971,000 pounds of cut tobacco accounting for 96 and 99 percent of total imports respectively.

Other items on the prohibited food list expected to reduce the U.S. market in Peru are meats, honey, fresh fruits, and grains or processed whole grains.

## Canadian Plans for Oilseed Acreages

Canadian farmers plan to increase their flaxseed and soybean acreages this year but reduced that for rapeseed, according to the March 1 intentions released March 20. Indicated seedings to flaxseed are 1,362,000 acres, 23 percent above last year's

1,107,000; rapeseed intentions are for 1,361,000 acres, 21 percent less than the 1,726,000 planted last year. Only a slight increase is expected in soybean plantings—302,000 acres against 290,000 in the preceding year.

## United Kingdom Exports More Cigarettes

British exports of cigarettes in 1967 totaled 33.2 million pounds, up 6 percent from 1966. Last year's exports were the largest in 10 years. Most of the rise occurred in exports to non-Commonwealth countries.

Exports to non-Commonwealth countries in 1967, at 21.8 million pounds, were 9 percent above the 20.0 million pounds shipped to the same group of countries in 1966. Only a small gain was recorded in exports to Commonwealth areas.

Kuwait took nearly 5.8 million pounds of British cigarettes last year. Other major markets included French Afars and Issas (formerly French Somaliland), Hong Kong, Singapore, Aden, and the Persian Gulf States.

### UNITED KINGDOM CIGARETTE EXPORTS

Destination	1965	1966	1967
	<i>1,000 pounds</i>	<i>1,000 pounds</i>	<i>1,000 pounds</i>
Commonwealth:			
Hong Kong .....	2,256	2,150	2,220
Singapore .....	2,207	1,752	2,076
Malaysia .....	(1)	727	772
Aden .....	2,503	2,687	1,922
Persian Gulf States ...	1,226	1,273	1,804
Gambia .....	295	382	423
Cyprus .....	371	331	315
Australia .....	286	220	269
Gibraltar .....	275	277	268
Others .....	1,667	1,547	1,352
Subtotal .....	11,086	11,346	11,421
Non-Commonwealth:			
Kuwait .....	4,360	4,960	5,760
French Afars and Issas	1,172	1,327	2,244
Germany, West .....	1,559	1,849	1,772
Sudan .....	1,591	1,281	913
Canary Islands .....	398	688	902
France .....	1,731	1,598	900
Netherlands .....	536	595	826
Ireland .....	300	789	817
Togo .....	423	723	723
Others .....	5,165	6,217	6,912
Subtotal .....	17,235	20,027	21,769
Grand Total .....	28,321	31,373	33,190

<sup>1</sup>Included with Singapore.  
Tobacco Intelligence, London

## 1967 British Imports of Tobacco Up

Imports of unmanufactured tobacco into the United Kingdom in 1967 totaled 280.4 million pounds, an increase of 7 percent from the 262.1 million imported in 1966. Flue-cured accounted for 94 percent of the 1967 total.

A big gain in purchases of Indian leaf, together with larger imports from Canada, South Korea, Taiwan, and the Republic of South Africa, more than offset the complete embargo on Rhodesian trade. Imports from the United States, at 132.9 million pounds, were practically the same as those in 1966.

Commonwealth suppliers accounted for 124.6 million pounds



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in 1967, or 44 percent of the total, as compared with 42 percent in 1966 and 64 percent in 1965. The U.S. share of the market was about 47 percent in 1967, against 51 percent in 1966.

## Ontario Flue-Cured Prices

Sales of the 1967 flue-cured tobacco crop in Ontario, Canada, through March 1, 1968, totaled 161.7 million pounds for an average price of 70.1 Canadian cents per pound. Last season, for a comparable sales period, the total was about 180.6 million at 72.5 cents.

## U.S. Imports of Tobacco Rise Sharply

General imports (arrivals) of unmanufactured tobacco in the United States in January 1968 totaled nearly 51 million pounds, valued at \$34.6 million. This compares with about 40 million pounds in January 1967, and 22.7 million in January 1966. Arrivals of small quantities of stems are not included in the monthly data shown below.

U.S. GENERAL IMPORTS OF  
UNMANUFACTURED TOBACCO

Kind of tobacco	January					
	1966		1967		1968	
	Quantity	Value	Quantity	Value	Quantity	Value
	1,000	1,000	1,000	1,000	1,000	1,000
	pounds	dollars	pounds	dollars	pounds	dollars
Cigarette leaf (flue, burley)	203	86	171	85	873	306
Cigarette leaf, other	16,490	11,278	36,891	27,141	43,107	32,235
Wrapper	31	137	21	135	20	122
Mixed filler & wrapper	(1)	(1)	134	54	1	2
Filler, unstemmed	939	329	937	365	4,034	1,142
Filler, stemmed	113	111	165	181	89	102
Scrap	4,920	1,396	1,533	309	2,766	661
Total <sup>2</sup>	22,696	13,337	39,852	28,270	50,890	34,570

<sup>1</sup>Included in wrapper. <sup>2</sup>Excludes stems.

## India Produces Record Tea Crop

Based on preliminary data, India's 1967 tea crop totaled a record 838.2 million pounds, up 1.4 percent from the previous year. The large crop was attributed to favorable growing conditions and increased fertilizer use in the North Indian producing areas, which showed production increases of 4 percent over the year before. Poor weather lowered South India's production.

Reflecting larger sales to the United Kingdom, tea exports rose 14 percent in 1967 to 452 million pounds but were still under the 1960-64 average level of 462 million. U.S. purchases totaled 20.4 million pounds, valued at \$10.4 million, about the same as in the previous 2 years.

## Ecuador's Cocoa Exports Soar

Reflecting larger production, Ecuador's 1967 cocoa bean exports totaled a near-record 45,021 metric tons, valued at \$24.9 million, up 40 percent over the year before and were the highest since 1920. Cocoa produced shipments also increased, rising to a record 1,535 tons valued at \$1.3 million.

## Australian Sultana and Currant Crop

Current reports estimate 1968 Australian sultana production at 90,000 short tons, 8 percent below the 1967 crop of 97,400 but 8 percent above the 1962-66 average. Weather was hot and dry during harvest and quality is reported excellent. Bunches were reportedly large and sugar content above average. The 1968 currant crop is estimated at 10,000 short tons, 5 percent below last year's and slightly below the 1962-66 average.

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